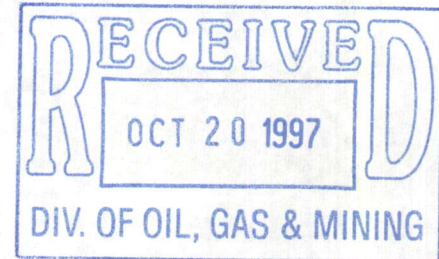


m/001/019

D.WAYNE HEDBERG
PERMIT SUPERVISOR
DIVISION OF OIL,GAS & MINING
1594 W. NORTH TEMPLE - SUITE 1210
BOX 145801
SALT LAKE CITY, UTAH 84114 - 5801

OCTOBER 15,1997

Re: INDIAN QUEEN MARBLE PROJECT
BEAVER COUNTY, UTAH



DEAR MR. HEDBERG:

I AM WRITING CONCERNING THE INDIAN QUEEN MARBLE PROJECT. AS YOU ARE AWARE, WE HAVE BEEN WORKING CLOSELY WITH MR. TOM MUNSON, AND RECENTLY MR. TONY GALLEGOS. AS OF THIS WRITING, WE HAVE COMPLIED AND SENT TO THE DIVISION ALL NECESSARY DATA FOR A LARGE MINING PERMIT.

WE HAVE COMPLIED WITH THE NECESSARY REQUESTS TO REMEDY THE PRE-EXISTING PROBLEMS FROM THE PREVIOUS OPERATOR, AND FEEL CONFIDENT THAT WE WILL REMEDY ALL THAT WAS DONE PRIOR TO THE NOW EXISTING OPERATION. THE EARLIER DISTURBANCE WAS THE NOW EXISTING 4.92 ACRES WHICH IS THE OPERATING PAD AREA, AND THE SOIL STOCKPILE. THERE WAS ANOTHER AREA OF 1.28 ACRES, BUT THIS WAS PUT INTO SEED FOR RECLAMATION IN THE FALL OF 1996. THE 4.92 ACRES, IS THE NOW OPERATION AREA FOR THE CRUSHING AND LOADING. THE AREA FOR SOIL STOCKPILE DOES TAKE IN A GOOD PORTION OF THIS SURFACE AREA, SO THE EXISTING DISTURBANCE IS STILL CONSIDERABLY BELOW THE 5 ACRES.

I AM WRITING AT THIS TIME TO REQUEST PERMISSION TO MOVE INTO THE AREA SHOWN ON THE SURFACE FACILITY MAP AS THE PROPOSED FOR 1997 AREA, WHICH WOULD BE 1.34 ACRES OF DISTURBANCE OVER A YEAR'S TIME.

INDIAN QUEEN MARBLE
OCTOBER 15, 1997

WE FEEL CONFIDENT THAT WE HAVE COMPLIED WITH THE NECESSARY DATA TO RECEIVE THE LARGE MINING PERMIT. WE DO UNDERSTAND THAT WE CANNOT ASSUME THAT WE WILL AUTOMATICALLY BE APPROVED BUT WE FEEL WE WILL COMPLY SATISFACTORILY TO RECEIVE THE APPROVAL DURING THE COURSE OF REVIEW. TO HELP WITH MY REQUEST PLEASE TAKE NOTE OF THE FOLLOWING:

1. EXISTING DISTURBANCE
 OPERATION PAD, SOIL STOCKPILE 4.92 ac
2. PRE-EXISTING DISTURBANCE 1.28 ac
3. AREA ALREADY UNDER RECLAMATION 1.28 ac
4. REQUEST TO MOVE TO PROPOSED
 1997 AREA 1.34 ac
5. EXISTING BOND \$15,000.00

TO MOVE INTO THE 1997 AREA WOULD PUT US OVER THE 5 ACRES IF WE WERE TO GO FROM NOW UNTIL A YEAR FROM NOW. WE KNOW THAT WE COULD NOT DO THAT UNLESS WE HAD THE LARGE MINING PERMIT. THEREFORE, FOR US TO CONTINUE WORKING, AND HAVING OUR DISTURBANCE SO CLOSE TO 5 ACRES, AND IN LINE WITH OUR APPLICATION, THE TOP SOIL FROM THIS AREA GOES TO THE SOIL STOCKPILE, AND THE OVERBURDEN WILL BE PUT IN THE EXISTING QUARRY, WHICH IS RECLAMATION IN PROGRESS. WITH THE \$15,000.00 BOND ALREADY IN PLACE, WE FEEL WE HAVE COVERED ALL BASES. WE WOULD INCREASE THE BOND IF THIS IS NECESSARY.

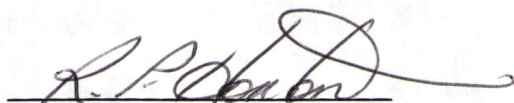
INDIAN QUEEN MARBLE
OCTOBER 15, 1997

IN WORKING THIS PROJECT, THE BUILDING OF CLIENTEL IS VERY IMPORTANT. IF THEY CANNOT DEPENDING THE PRODUCTION, THEN THEY TAKE THEIR BUSINESS SOMEWHERE ELSE. TO SHUT DOWN WOULD COST EMPLOYEES THEIR JOBS, AND WE WOULD LOSE OUR CUSTOMERS. WE ARE NOT ASKING FOR AN OPEN DOOR, BUT PERMISSION TO MOVE TO THIS AREA TO MAINTAIN OUR EMPLOYEES AND CUSTOMERS. THIS IS STILL MINIMAL FOR DISTURBANCE. THE 4.92 ACRES, WHICH IS THE OPERATION PAD, AND SOIL STOCKPILE, CANNOT BE RECLAIMED UNTIL THE OPERATION CEASES.

WE WOULD APPRECIATE YOUR CONSIDERATION IN THIS REQUEST, AS TIME IS IMPORTANT WITH WINTER APPROACHING.

THANK YOU ONCE AGAIN FOR YOUR PATIENCE IN THIS MATTER.

SINCERELY,

A handwritten signature in dark ink, appearing to read "R.P. Horton", is written over a horizontal line.

R.P. HORTON
INDIAN QUEEN MARBLE
P.O. BOX 150271
EAST ELY, NEVADA 89315
702-289-3130
702-289-6881 (FAX)